

BOARD OF COMMERCE & INDUSTRY

**February 26, 2003
Baton Rouge, Louisiana
Summary of Motions**

APPROVAL OF MINUTES:

- A motion was made by Mr. Montelepre and seconded by Mr. Cornett to approve the December 11, 2002, C & I Board meeting minutes. Motion carried unanimously.

INDUSTRIAL TAX EQUALIZATION:

- A motion was made by Mr. Montelepre and seconded by Mr. Lucas to approve Diversified Foods & Seasonings amendment to its Industrial Tax Equalization Contract 980373, from January 1, 2002 to January 1, 2003. Motion carried unanimously.

QUALITY JOBS:

- A motion was made by Mr. Shaddock and seconded by Mr. Kleinpeter to defer Communications & Technology Industries, Inc., and to approve the remaining new Quality Jobs applications. Motion carried unanimously.
- A motion was made by Secretary Don Hutchinson and seconded by Mr. Vickers to approve the three renewal applications for Stewart Services, Inc., 19960468, TeleCorp Communications, Inc., 19980175 and Galliano Marine Service, LLC, 19980006. Motion carried unanimously.
- A motion was made by Mr. Lucas and seconded by Mr. Cornett to approve the transfer application to transfer LLC membership for Galliano Marine Service, LLC, 19980006 from Kellie Chouest Duet (4.165%) to Dino Chouest (4.165%). Motion carried unanimously.
- A motion was made by Mr. Vickers and seconded by Mr. Burgess to approve the contract cancellation of Shreveport Fabricators, 19970550. Motion carried unanimously.

RESTORATION TAX ABATEMENT:

- A motion was made by Mayor Johnson and seconded by Mr. Coulon to approve the transfer application for 1999-0564-70 from Clark O'Hara, LLC to Lindy Development, LLC. Motion carried unanimously.
- A motion was made by Mr. Shaddock and seconded by Mr. Murano to approve all new applications with corrections to the property tax error on the Steven R. Hall application. Motion carried unanimously.
- A motion was made by Mr. Friend and seconded by Mr. Lucas to approve the renewal application for 302 Jefferson St. L.P, 1995-0010-03. Motion carried unanimously.

FILM & VIDEO:

- A motion was made by Mr. Montelepre and seconded by Mr. Vickers to approve both applications 2002-0008, Crusader Entertainment, LLC “Unchain My Heart” and 2002-0009, Trespass, LLC “Trespass”. Motion carried 14-1 with Mr. Braxton abstaining from the vote.

ENTERPRISE ZONE:

- A motion was made by Mr. Lucas and seconded by Mr. Murano to approve the contract date changes for Applied Electronics Systems, Inc., 2000-0121 from 04-01-2001 to 03-15-2000; SLS Arts, Inc., 2000-0387 from 06-12-2001 to 05-23-2001; Paul John B dba Quality Wood Co., 1999-0189 from 05-20-2000 to 07-21-2000 and Drury Inns, Inc., 1997-0366 from 01-05-2001 to 07-21-2000 and the contract name change for Stine, Inc. Motion carried unanimously.
- A motion was made by Mr. Shaddock and seconded by Mr. Friend to approve all new applications. Motion carried unanimously.

INDUSTRIAL TAX EXEMPTION:

- A motion was made by Mr. Lucas and seconded by Mr. Murano to approve deferral of the Bunge Corporation upgrade application. Motion carried 13-1 with Mr. Shaddock voting against the motion and Mr. Coulon absent from the remainder of the meeting.
- A motion was made by Mr. Kleinpeter and seconded by Mr. Murano to approve all new applications. Motion carried unanimously.
- A motion was made by Mr. Lucas and seconded by Mr. Friend to approve the reinstatement contracts 19948045, 19958050 19960224 for Messer Greisheim Industries, Inc. Motion carried unanimously.
- A motion was made by Secretary Hutchinson and seconded by Mr. Burgess to approve the change in ownership application for KRC Southern, Inc. 19980400 to Voith Paper Service South, Inc., Star Field Services Co. 19960248 to Crosstex/Wra Treating, Ltd. And GE Capital 19998007 to Field Container Company, LP. Motion carried unanimously.
- A motion was made by Secretary Hutchinson and seconded by Mr. Lucas to approve the name change application for Bayou Management Services, LLC 19970540 to The Bayou Companies, LLC and Hawke Manufacturing Co., LLC 19958084, 19950444, 19979260 to Anvil Attachments, LLC. Motion carried unanimously.
- A motion was made by Mr. Murano and seconded by Mr. Shaddock to approve the renewal application for BASF Corp. 19960246. Motion carried unanimously.
- A motion was made by Mr. Murano and seconded by Mr. Shaddock to approve the contract cancellation for Jefferson Smurfit 19979087. Motion carried unanimously.

MISCELLANEOUS CAPITAL

- A motion was made by Mr. Burgess and seconded by Mr. Cornett to approve all new applications. Motion carried unanimously.
- A motion was made by Mr. Friend and seconded by Ms. McKeithen to approve the eight renewal applications for Citgo Petroleum Corporation, contracts 19989341, 19989340, 19989339, 19989338, 19989337, 19989336, 19989335, and 19989334. Motion carried unanimously.
- A motion was made by Mr. Montelepre and seconded by Mr. Vickers to approve the name change applications for Williamette Industries, contract # to Weyerhaeuser Company; Union Camp Corporation, contracts 19014262, 19015110, 19959291, 19969301, 19979360, 19989363, and 19999329 to International Paper Company; Osca, Inc., contracts 19999274, 19990402, 20008091, 20019269, 19999824, and 19999825 to BJ Services Company, USA. Motion carried unanimously with Mr. Burgess absent from the meeting.

OLD BUSINESS

Mike Williams gave a follow up report requested by Chairman Green on the suggestions made by the legislative auditors concerning the hiring of additional inspectors. Mr. Williams commented that as of today, there have been 401 inspections done by the full time inspector Ms. Vicki Rester. Over the last 2 months 30 employee certifications have been done for the Enterprise Zone. We have 4 volunteers already part of the staff helping out with the employee certifications. As a result of Kay's leaving, Ed Baker will take over QJ and retain part of the RTA program.

The next meeting though still in the planning stages will be held in Monroe. Mr. Buddy Spillers, Head of OEC, Ouachita Economic Corporation is working on getting the meeting set up.

MEETING ADJOURNED

C & I BOARD MEETING MINUTES
BATON ROUGE, LOUISIANA
FEBRUARY 26, 2003

Board Members Present: Chairman Arthur D. Green, Leonard Kleinpeter, Gordon A. Burgess, Harold L. Cornett, Christopher Coulon, Rodney Braxton, John Friend, Secretary Don Hutchinson, Gerald M. Johnson, Richard L. Lucas, Marjorie McKeithen, Philip Montelepre, Noel A. Murano, C. Wade Shaddock, and John G. Vickers.

Board Members Absent: John R. Bourg, Sr., and Rustin D. Johnson

Staff Present: Mike Williams, Bob Cangelosi, Bob Berling, Ed Baker, Marylyn Friedkin, Kay Wallace, Mark Smith, Laverne Jasek, Jonh Jernigan, Paul Adams, and Gwen Brinkley.

Guest Present: Don Allison, KPMG; William D. Bennett, Irwin Montagne; Rod Vallot, Cooper Mfg. & Supply, Inc.; Bob Adair, Entergy; David Finton, John Crowley & Darlene Perdue, Occidental Chemical Corp.; Claire Simon, Morton Salt; Ed Livaudais, Walle Corporation; Nick Lemoine, Pearson Manufacturing Co., LLC; Heather Weaver & Craig Tassin, Hometown ACE Hardware; Sara Bongiorno, The Advocate; Gary S. Gandolfi, Groth Equipment Corporation of Louisiana; Chuck Zatarain, Geo, Syngenta, Scardina; Jim Hutchinson, Jr. & Scott Hutchinson, Hutco Fabricators; Dare Powers, Didier Consultants; Kathy McIntyre & Robert Graham, ReadSoft, Inc.; Charles Tureau & Gerard Thompson, Honeywell and Karen N. Coaxum, Coaxum Enterprises, Inc.

CALL TO ORDER: Chairman Arthur D. Green called the meeting to order at 1:40 p.m.

ROLL CALL: Fourteen Board Members were present at the time of the Roll Call. A total of fifteen members were present.

APPROVAL OF MINUTES

- **A motion was made by Mr. Montelepre, seconded by Mr. Cornett to approve the December 11, 2002 C & I Board minutes. Motion carried unanimously.**

The board acknowledged and complimented the efforts made by the Secretary in preparation of the board minutes.

Congratulations were extended by the board to Kay Wallace on her retirement and she was thanked for her many years of excellent and dedicated service.

INDUSTRIAL TAX EQUALIZATION

Bob Berling presented an application for Diversified Foods & Seasonings requesting amendment to its Industrial Tax Equalization Contract 19980373, from January 1, 2002 to January 1, 2003. Bob Berling stated, "The reason for requesting this change is due to the project's size expanding and construction did not begin as originally planned for various reasons". Mr. Lucas stated, "There is no problem granting another extension on the contract completion date since extensions have been granted before to companies with this problem". Mr. Green asked if the financial history for this company had changed since the Tax Equalization Program depends so much on their financial history. Mr. Berling answered, "The Tax Equalization calculations are based on their tax returns at the end of the fiscal or calendar year".

- **A motion was made by Mr. Montelepre, seconded by Mr. Lucas to approve the amendment to Diversified Foods & Seasonings Industrial Tax Equalization Contract. Motion carried unanimously.**

QUALITY JOBS

Kay Wallace presented seven new Quality Jobs applications along with a request to defer Communications & Technology Industries, Inc.

Mr. Friend had questions concerning Irwin Mortgage Corporation and the SIC Code 6162 on page 61. Mr. Friend stated that this SIC code according to the write up for Quality Jobs is not included as eligible. According to Kay Wallace, a percentage of their business is outside the state of Louisiana and under that provision they are eligible. The two provisions: either 75% of the business can be outside of the state of Louisiana or 50%. Mr. Lucas asked if the home office is required to be located in the same state. Kay's answer was no, that requirement is for oil and gas businesses to have regional offices. Mr. Friend had concerns about eligibility and whether or not the company meets the two basic industry tests questions.

Kay reminded the board of the new Quality Jobs qualifications and rules as of May 1, 2002. Mr. Friend, Ms. McKeithen, and a few other board members were all in agreement that they recently received the wrong rules within the last month. Mike Williams addressed the board by acknowledging and apologizing for the obvious mistake. He also stated that the new rules were printed to the Louisiana Register on December 20, 2002, and assured the board, the error would be corrected.

- **A motion was made by Mr. Shaddock, seconded by Mr. Kleinpeter to defer Hutco Fabricators, Inc. and to approve all other applications.**

Ms. McKeithen corrected the motion to defer Communication & Technology Industries, Inc. instead of Hutco Fabricators, Inc. The motion was corrected as follows:

- **A motion was made by Mr. Shaddock, seconded by Mr. Kleinpeter to defer Communication & Technology Industries, Inc. and to approve the remaining new applications. Motion carried unanimously.**

Kay presented three renewal contracts. Mr. Green inquired if there were any changes. Kay indicated there were no changes, all three businesses continue to file their annual reports and all of the documentation is up to date. Mr. Lucas asked if the businesses continue to qualify under the old rules. Kay's answer was yes.

- **A motion was made by Secretary Hutchinson, seconded by Mr. Vickers to approve the renewal applications. Motion carried unanimously.**

Kay presented a transfer of ownership application. Mr. Green asked if there were any changes. Kay stated that one of the owners changed to an LLC. Mr. Lucas asked if the other companies were separating. Kay's response was no, the other LLC members stayed the same.

- **A motion was made by Mr. Lucas, seconded by Mr. Burgess to approve the transfer of ownership application. Motion carried unanimously.**

Kay presented one expired contract. No action was taken by the board.

Kay presented one contract for cancellation.

- **A motion was made by Mr. Vickers, seconded by Mr. Burgess to approve the contract cancellation. Motion carried unanimously.**

RESTORATION TAX ABATEMENT

Ed Baker presented one transfer of ownership application. Chairman Green asked if there were any changes. Mr. Baker indicated there were none.

- **A motion was made by Mayor Johnson, seconded by Mr. Coulon to approve the transfer of ownership application. Motion carried unanimously.**

Ed presented seven new applications. Chairman Green indicated his interest in Gaar Properties. Ed interjected, that The Bailey Hotel is back without gaming devices, now they comply. Chairman Green commented that according to the rules, they can't even have a license. Ed said, "They gave up the license". Mr. Lucas asked about the machines. Ed answered, "The machines were gone". Chairman Green had concerns on page 117 of the agenda. Gaar Properties, LLC failed to complete the application with the project details. Ed commented that he normally gets about three pages, but that he has read everything and looked at the pictures before hand. The building is an old historic building and will be used for a law firm.

Ed pointed out an error on page 131 under Property Taxes for Steven R. Hall. The question, "Have Ad Valorem (property) Taxes been paid on this property on the basis of an assessed valuation which reflects the improvements made by the project" was answered wrong. After talking to the owner, Ed determined that he meant the tax was paid by the owner prior to the city owning it and not paid on the improvements, which is forbidden under this tax. Chairman Green asked if the application should be corrected for the records. Ed offered to correct the application or put an explanation on it. Mr. Bob Cangelosi, legal council, addressed the issue by saying that the statement in the minutes will serve as an amendment to the application.

Mr. Murano added compliments on the Patrick W. and Helen O. Pendley project. The project, by Mr. Murano's description is a restored building in Plaquemine, very gorgeous, beautiful and was quite an undertaking.

- **A motion was made by Mr. Shaddock, seconded by Mr. Murano to approve all new applications with corrections noted on the Steven R. Hall application. Motion carried unanimously.**

Ed presented one renewal application.

- **A motion was made by Mr. Friend, seconded by Mr. Lucas to approve the renewal application. Motion carried unanimously.**

Mr. Montelepre asked Ed Baker if the five year extension under the Restoration Tax Abatement Program has to be approved by a local governing body. Mr. Baker replied “Yes, the application can’t be presented to the board without an endorsement resolution”. Mr. Montelepre inquired if a local governing body has ever approved the first five years under this program and disapproved the second five years? Mr. Berling’s answer, “absolutely, the City of Shreveport refuses to approve any renewals”. Mr. Montelepre inquired about the City of New Orleans. Mr. Berling was not certain about New Orleans. According to Mr. Berling, the policy was adopted a few years ago of approving a second five years for commercial structures. In January of 1991 the RTA program was expanded to allow for renewals and that was done by constitutional amendment. Every time there is a change in the law, the local government is encouraged to adopt rules regarding the laws. The City of New Orleans at the time adopted the policy of renewals for commercial property but not for residential property which also became possible in 1991. There was a separate amendment or change in the law to allow for over occupied residences to apply also. The City felt there was more economic benefit from the renovations of commercial structures than to over occupied residences. Otherwise, most of the renewals were honored for commercial structures.

FILM & VIDEO

Marc Smith presented two applications for approval. Application 2002-0008, Crusader Entertainment, LLC, is producing a feature film in the New Orleans and Baton Rouge area entitled “Unchain My Heart” with a budget of \$38,000,000.00 which will be spent entirely in the state of Louisiana. It will be the fourth production to take full advantage of our incentive package. It depicts the life story of Ray Charles. The project was initially scheduled to shoot in Georgia and Los Angeles. The project start date is March 31, 2003 through June 18, 2003. The Baton Rouge locations are the State Capitol, the house chambers with the Legislature serving as extras, Roselawn Cemetery on North Boulevard and the train station. Chairman Green asked who would play Ray Charles. Marc’s answered, “Jamie Fox”.

The next application is 2002-0009, Trespass, LLC, this feature, entitled “Trespass”, is a low budget Horror film, actually a video. The budget is 800,000.00. Trespass is a Louisiana Company based out of New Orleans. The video company’s name is Lift and they have a partnership with a company in Los Angeles called Enterprise Entertainment. Both applications have met the criteria and are recommended for approval.

- **A motion was made by Mr. Montelepre, seconded by Mr. Vickers to approve both the film and the video applications. Motion carried unanimously.**

Mr. Kleinpeter asked if there was a registry or website for interested people or actors. Marc gave the production hotline number, 342-film and the website address, lafilm.org. In March, Unchain My Heart will be doing an open casting call for extras.

ENTERPRISE ZONE

Marylyn presented four contract date changes and two name changes. Mr. Lucas asked, “How back dating the contracts affect the advance notification”. Marylyn replied, “The date change can’t be back dated prior to receipt of the advance notification. A lot of these are mom and pops. They make their request for sales tax rebates and then receive a piece of equipment prior to the date they put on the application after we have received the advance notification”. Mr. Lucas reminded the board of the strict rules that were set because of the many request for changing the advance notification dates. Marylyn informed the board, that she never brings anything before the board that is received prior to the advance notification date.

- **A motion was made by Mr. Lucas, seconded by Mr. Murano to approve all of the contract changes. Motion carried unanimously.**

Marylyn presented twenty-nine new applications. Chairman Green asked about the lack of investment amount on the application for Associated Marine Equipment, LLC. Marylyn indicated that the application is correct. "They are doing a workforce expansion", she said. Mr. Doug Hess, representative for Associated Marine informed the board that Associated Marine culminated a project involving international loading and unloading operations and cargo coming in from other countries. "Apparently", he said, "Louisiana Law has an exemption for sales tax for local and parish sales tax on any investments made regarding marine operations that involve international cargo. Basically, they paid no sales tax even though they invested several million dollars in equipment. Sales tax was not paid, so benefits are not being claimed".

Mr. Lucas wanted to know about the 10% qualification statewide for Crowville Grain and Elevator Co., Inc. Marylyn stated, "The advance notification was received prior to the rules changing. The company has eleven employees and is creating two net new jobs in the first year". Mr. Lucas' question for Geo Specialty Chemicals, Inc. was the same question for Crowville Grain and Elevator Co., Inc. His next question concerned the existing jobs for Sullivan's Veterinary Clinic. Marylyn answered that a replacement clinic is being built. The existing jobs are still there with an additional five new employees.

- **A motion was made to approve by Mr. Shaddock, seconded by Mr. Friend to approve all new applications. Motion carried unanimously.**

INDUSTRIAL TAX EXEMPTION

John Jernigan requested the Bunge up-grade project be deferred. John informed the board that letters were mailed out notifying both the company and the assessor's office and neither party is in attendance. Mr. Montelepre asked if the deferral request is for the April 16, 2003 meeting. Mr. Jernigan agreed to either the April meeting, June meeting or preferably when representatives from Bunge can be present. Mr. Shaddock commented on reducing their tax exemption and making it retroactive. John stated, "The tax assessor can collect taxes as far back as three years, therefore, the tax assessor's not going to lose anything. This original contract we are talking about for \$29,000.000.00 became effective December 31, 2002, so the assessor is not going to lose any tax dollars". Chairman Green stated that the board, seven or eight years ago, shortly after the original board members were appointed, argued that grain elevators are not manufacturing and soybean processing was. He also stated that he just can't imagine this board changing that policy unless it is for something major. Mr. Jernigan again requested Bunge be deferred until a representative can be present at the board meeting.

- **A motion was made by Mr. Lucas, seconded by Mr. Murano to defer Bunge Corporation. Motion carried 13-1 with Mr. Shaddock voting against the motion and Mr. Coulon absent the remainder of the meeting.**

Chairman Green suggested in the future, if something must be pulled from the agenda, legally it should come from a combination of board members or from the secretary himself.

John presented twenty new applications.

- **A motion was made by Mr. Kleinpeter, seconded by Mr. Murano to approve all new applications. Motion carried unanimously.**

John presented four contracts to be reinstated. The contracts were expired by the board at the December 11, 2002 meeting based on a letter written in error by the assessor stating that the company Messer Greisheim Industries, Inc. was no longer manufacturing and no longer in the parish.

- **A motion was made by Mr. Lucas, seconded by Mr. Friend to approve the four contract reinstatements. Motion carried unanimously.**

John presented three transfer (change in ownership) of tax exemption contracts.

- **A motion was made by Secretary Hutchinson, seconded by Mr. Burgess to approve the change in ownership applications. Motion carried unanimously.**

John presented one amendment (change in name) to tax exemption contract.

- **A motion was made by Secretary Hutchinson, seconded by Mr. Lucas to approve the name change application. Motion carried unanimously.**

John presented one renewal application. He stated, "BASF had the wrong project completion date on the contract and it was not suppose to be renewed until next year, however, when they modified their operational date, it brought it back a year and should have been renewed December 31, 2002".

- **A motion was made by Mr. Murano, seconded by Mr. Shaddock to approve the renewal application. Motion carried unanimously.**

John presented one contract cancellation.

- **A motion was made by Mr. Murano, seconded by Mr. Shaddock to approve the contract cancellation. Motion carried unanimously.**

INDUSTRIAL TAX EXEMPTION (Miscellaneous Capital Additions)

Laverne Jasek presented twenty-two new applications. Mr. Green asked, "Are we prorating for Morton Salt as was done for other salt companies with manufacturing in mind". Mr. Lucas made a comment about the same percentages and Laverne nodded yes.

- **A motion was made by Mr. Burgess, seconded by Mr. Cornett to approve the new applications. Motion carried unanimously.**

Laverne presented eight renewal contracts for Citgo Petroleum Corporation.

- **A motion was made by Mr. Friend, seconded by Ms. McKeithen to approve the renewal applications. Motion carried unanimously.**

Laverne presented three transfer (change in name) to tax exemption contracts.

- **A motion was made by Mr. Montelepre, seconded by Mr. Vickers to approve the name change applications. Motion carried unanimously.**

OLD BUSINESS

Chairman Green asked Mr. Williams to give a follow-up report on the suggestions made by the legislative auditor on the status of hiring additional inspectors. Mr. Williams stated, "As of today, 401 inspections have been done by the full time inspector Vicki Rester. During the last month or two, thirty employee certifications for the enterprise zone have been done with assistance from four volunteers also part of the staff. As you know, Kay will be leaving. Ed will be taking her place and retaining part of the RTA program, Paul will be helping him". Chairman Green asked if there were going to be three inspectors. Mr. Williams answered, "There are going to be two and we are working with civil service on the assistant position".

Mr. Green inquired about April's meeting. Ed Baker commented that the new head of OEC, Buddy Spillars is working on getting the meeting set up but there are no specifics. Chairman Green requested the board members be notified as soon as there is more information.

MEETING ADJOURNED

